

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
75 Hawthorne St., Suite 408
San Francisco, CA 94105



San Francisco Regional Office

SEP 27 2005

Stan Rosenstein, Deputy Director
Department of Health Services
Medical Care Services
MS 4000
P.O. Box 942732
Sacramento, CA 94234-7320

Dear Mr. Rosenstein:

Thank you for your letter of July 27, 2005 requesting that the Centers for Medicare & Medicaid Services (CMS) waive free care principle requirements for the Local Educational Agency Medical billing option program.

CMS' policy of not providing Federal Financial Participation (FFP) for expenditures related to Medicaid-covered services provided without charge to users in the community remains in place. The President's 2006 budget includes a proposal to codify CMS' free care principle. We are not able to offer a waiver of the requirements described in your letter.

If you have any questions, please call

Sincerely,

Linda Minamoto
Associate Regional Administrator
Division of Medicaid & Children's Health